

EXECUTIVE CHAMBERS

HONOLULU

April 30, 2004

STATEMENT OF CONCERNS REGARDING HOUSE BILL NO. 2004

Honorable Members  
Twenty-second Legislature  
State of Hawaii

I will allow House Bill No. 2004, entitled "A Bill for an Act Relating to the Illegal Use of Controlled Substances" to become law without my signature.

This bill clearly has merit. It aims to provide the State and the counties with financial support to battle the crystal methamphetamine ("ice") epidemic. This bill funds intervention efforts, prevention, treatment efforts, and enhanced judicial programs in an effort to halt the spread of this dangerous and socially damaging drug.

HB 2004 appropriates \$14,702,419 for drug prevention and treatment programs as part of the Legislature's spending plan. Regrettably, it does so without considering the availability of fiscal resources. The Legislature's disregard of sound budgeting principles requires that I carefully consider these appropriations, together with monies appropriated in the regular State budget, to ensure that the State's budget is balanced. This will need to be done in the context of addressing the legitimate "ice" abatement goals of our community.

This bill uses monies from three funding sources to pay for the \$14.7 million in proposed expenditures. The largest amount, over \$13 million, would be appropriated

from general funds that are not included in the State's financial plan. Accordingly, these appropriations will stress available resources and must be weighed against other statewide priorities.

The second source is the Emergency Budget Reserve Fund (EBRF). A total of \$1.15 million would be taken out of this account. The EBRF was created to provide the State a critical reserve of monies during an emergency period, a severe economic downturn, or an unforeseen and drastic reduction in State revenues. The Emergency Fund was not intended to provide money for valid programs that are ongoing in nature, such as substance abuse treatment facilities. These centers should not have to wait anxiously from year to year not knowing until the eleventh hour whether they will be accommodated by dipping into the emergency reserves. Furthermore, funding drug prevention and treatment operations in this manner erodes the emergency account. Bond rating agencies point out that maintenance of this fund at about 5 percent of general fund revenues, or approximately \$190 million, is considered the level for an effective reserve. The fund's current balance of \$54.3 million is considerably below this prudent goal.

The third source of funding is the Environmental Response Revolving Fund. \$300,000 would be removed from this fund to examine the effects of "ice" labs. Using these monies for this purpose is, at best, a "stretch" since the purpose of this revolving fund was to earmark money for cleaning up oil spills.

I am also concerned that some of the appropriations made in this bill are inadequate to fulfill the Legislature's mandates. For example, funding appropriated to the Department of Public Safety to expand its canine drug interdiction program would only cover the costs of one dog and not the handler. Similarly, the Department of Public Safety has also pointed out that \$125,000 will not be sufficient to implement drug assessments for the inmate population they must process.

Despite these concerns, my Administration recognizes the importance of drug prevention and treatment programs. HB 2004 appropriates funds for the expansion of the highly successful drug court program, which is supported by the Law Enforcement Community. This bill also provides funding for the neighborhood-based Weed and Seed Program. However, support of this latter program may be problematic as the bill requires that a representative of the Attorney General chair a steering committee that already exists and must be chaired by the United States Attorney General, not the State Attorney General. Furthermore, the bill requires that the program establish an account for legislative appropriations, federal funds, and private contributions as a condition of receiving legislative funding. We must point out that this provision cannot be implemented because the federal government prohibits the co-mingling of federal funds with other funds. I urge the Legislature to take the necessary actions next year to correct these flaws in the Weed and Seed Program funding mechanism contained in this bill.

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For the foregoing reasons, I will allow House Bill No. 2004 to become Act 40, effective April 30, 2004, without my signature.

Respectfully,

LINDA LINGLE  
Governor of Hawaii